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ABSTRACT

This booklet contains two statements from the Association of Governing Boards of Universities and Colleges (AGB). The "Statement on Institutional Governance" encourages all governing boards and chief executives to examine the clarity, coherence, and appropriateness of their institutions' governance structures, policies, and practices. It presents some facts and perceptions about changes in higher education and then sets forth seven principles for institutional governance. Six standards of good practice are outlined, and these focus communication of goals and procedures. The second statement, "Governing in the Public Trust: External Influences on Colleges and Universities," focuses on a more specific challenge: the need for all higher education leaders to consider thoughtfully the perspectives of external voices while resisting purely political or ideological agendas. The document reviews principles of citizen governance and discusses the nature of external influences. It also lists five principles for maintaining accountability, independence, and the public trust. (SLD)

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BOARD BASICS

THE FUNDAMENTALS

AGB Statement on Institutional Governance

AND

Governing in the Public Trust: External Influences On Colleges and Universities

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The "AGB Statement on Institutional Governance" encourages all governing boards and chief executives to examine the clarity, coherence, and appropriateness of their institutions' governance structures, policies, and practices. The AGB Board of Directors adopted the statement in November 1998.

"Governing in the Public Trust," by contrast, responds to a more specific challenge: the need for all higher education leaders to thoughtfully consider the perspectives of external voices, while resisting purely political or ideological agendas. The AGB board adopted this statement in April 2001.

Both statements were inspired by the work of the national Commission on the Academic Presidency, whose report and recommendations AGB published in September 1996. AGB solicited the views of many individuals and groups during the process of developing each statement. These groups included the AGB Board of Directors and staff, the association's councils of presidents and board chairs, and focus groups of chief executives, trustees, administrators, faculty, and political leaders nationwide. In addition, AGB received hundreds of comments in response to drafts of both statements that appeared on the AGB Web site (www.agb.org).

These two statements are not intended to be prescriptive. Rather, they may serve as templates and resources for discussions of good governance policies, standards, and principles.

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AGB Statement on Institutional Governance

The "AGB Statement on Institutional Governance" encourages all governing boards and chief executives to examine the clarity, coherence, and appropriateness of their institutions' governance structures, policies, and practices. It reflects a governing board perspective, taking into consideration the many changes that have occurred in American higher education during the past three decades and suggests a number of "principles" and "standards of good practice."

The statement was inspired by the work of the national Commission on the Academic Presidency whose report and recommendations AGB published in September 1996. Subsequently, the association's Council of Presidents and Council of Board Chairs urged AGB to develop a set of guidelines, principles, and good practices concerning the participation of internal stakeholders in institutional decision making.

After an eight-month process that gathered insights from college and university chief executives, trustees, administrators, and faculty from public and independent higher education, and after considering hundreds of public comments in response to a draft of the statement that appeared on the AGB Web site, the AGB Board of Directors approved the statement on November 8, 1998.

The enormous diversity among American colleges and universities is reflected in their disparate governance structures and functions. Although the culture and process of governance vary widely among institutions, the presence of lay citizen governing boards distinguishes American higher education from most of the rest of the world, where universities ultimately are dependencies of the state. The nation's public and private institutions also depend on government, but they historically have been accorded autonomy in carrying out their educational functions through the medium of independent governing boards. These boards usually are gubernatorially appointed (and less frequently elected) in the case of public institutions and are generally self-perpetuating in private institutions.

The Association of Governing Boards of Universities and Colleges (AGB) has concluded that the governing boards responsible for the nation's 3,600 nonprofit colleges and universities should consider a number of principles and standards of good practice. In setting forth these principles and standards of effective governance, AGB respects the distinctive history, culture, missions, structures, and aspirations of our public and private institutions. Thus, this document is not intended to be prescriptive but rather a template of good practices and policy guidelines for boards to consider and adapt to their needs.

Much has changed in the three decades since the American Association of University Professors issued its "Statement on Government of Colleges and Universities." In 1966, AGB "commended" that document to the attention of its members, but it did not "endorse" it. This new statement, which addresses institutional decision making from the governing board perspective, takes into consideration some of the changes in the landscape of American higher education. These changes include but are not limited to the following facts and perceptions.

Facts

- The proportion of part-time or adjunct faculty has increased rapidly.
- Community colleges now enroll almost one-half of all students in higher education.
- The majority of students attend public institutions that are part of multicampus systems.
- As a result of various demands on limited state treasuries, state funding for public institutions has not kept pace with enrollment or cost increases. Many institutions, including independent colleges and universities, have had to downsize or significantly reallocate resources.
- The average length of service by institutional chief executives has declined, in part, as a result of conflicting demands from constituents, the politicization of public-sector governing boards, and the frequency of budget crises.

Perceptions

- The public demands greater accountability—particularly regarding student learning outcomes—and elected officials have intensified their scrutiny of higher education.
- There is a widespread perception that faculty members, especially in research universities, are divided in their loyalties between their academic disciplines and the welfare of their own institutions.
- Higher education officials are increasingly sensitive to changing student interests and the shifting demands of the job market.
- Scholars, think-tanks, and a variety of commissions project a major transformation of higher education as a result of a revolution in information technology, the reorientation of the focus of education from teaching to learning, and the new competition from corporate, for-profit, and online enterprises in the higher education market.
- Many governing boards, faculty members, and chief executives believe that internal governance arrangements have become so cumbersome that timely decisions are difficult to make, and small factions often are able to impede the decision-making process.

- Alternatively, in the quest for consensus or efficiency, the governance process sometimes produces a "lowest common denominator" decision, which does not adequately address underlying issues.

The AGB Board of Directors has concluded that these facts and perceptions are so compelling that a new statement on internal governance is necessary—a new perspective as seen through the lens of governing boards and trustees. Its purpose is to encourage AGB-member boards to examine the clarity, coherence, and appropriateness of their institutions' governance structures, policies, and practices and to revise them as necessary.

Principles

1. The ultimate responsibility for the institution rests in its governing board. Boards cannot delegate their fiduciary responsibility for the academic integrity and financial health of the institution. Traditionally, and for practical reasons, boards delegate some kinds of authority to other stakeholders with the implicit and sometimes explicit condition that the board reserves the right to question, challenge, and occasionally override decisions or proposals it judges to be inconsistent with the mission, integrity, or financial position of the institution. For example, the delegation of authority to the administration and faculty in adding, reducing, or discontinuing academic programs is made with the implicit understanding that the board still retains the ultimate responsibility.

2. The governing board should retain ultimate responsibility and full authority to determine the mission of the institution (within the constraints of state policies, in the case of public institutions or multicampus systems) in consultation with and on the advice of the chief executive. The board is also responsible for establishing the strategic direction of the institution or system through its insistence on and participation in comprehensive planning. As with many other issues, the board should work toward a consensus or an understanding on the part of the stakeholders concerning strategic direction and set forth a realistic view of the resources necessary to compete in the educational marketplace, accomplish these strategic goals, and carry out the mission.

3. Colleges and universities have many of the characteristics of business enterprises. Consequently, boards should ensure that, as corporations, their institutions' fiscal and managerial affairs are administered with appropriate attention to commonly accepted business standards. At the same time, nonprofit colleges and universities differ from businesses in many respects. They do not operate with a profit motive, and the "bottom lines" of colleges and universities are far more difficult to measure. They also differ from businesses in the sense that the processes of teaching, learning, and research often are at least as important as "the product," as measured by the conferring of degrees or the publication of research results. And by virtue of their special mission and purpose in a pluralistic society, they have a tradition of participation in institutional governance that is less common in and less appropriate for businesses.

THE GOVERNING BOARD SHOULD CONDUCT ITS AFFAIRS IN A MANNER THAT EXEMPLIFIES THE BEHAVIOR IT EXPECTS OF OTHER PARTICIPANTS IN INSTITUTIONAL GOVERNANCE.

4. The governing board should conduct its affairs in a manner that exemplifies the behavior it expects of other participants in institutional governance. From time to time, boards should examine their membership, structure, and performance and should expect the same of faculty and staff. Boards and their individual members should engage in periodic evaluations of their effectiveness and commitment to their institution or public system. They should strive to understand and respect the unique culture of their organization and its place in the academic landscape. They should comprehend all sides of an issue and—in appropriate instances and in consultation with the chief executive—afford contending parties an opportunity to present their views. The board should be prepared to set forth the reasons for its decisions.

Just as administrators and boards should respect the need for individual faculty members to exercise academic freedom in their classrooms and laboratories, boards should avoid the temptation to micromanage in matters of administration. And just as responsible faculty participation in governance places good institutional citizenship ahead of departmental or personal professional interest, so should individual board members avoid even the perception of any personal or special interests. In the case of public institutions or systems, trustees and governing boards should not be seen as advocates for their appointing authorities or of certain segments of the electorate. Board members as well as faculty members should avoid undermining their administrations.

5. Historically, higher education governance has included three principal internal stakeholders—governing boards, administrators, and the full-time faculty. In fact, other stakeholders exist and in increasing numbers. For example, the nonacademic staff usually substantially outnumbers the faculty, and yet this group rarely has a formal voice in governance. The same is true of the non-tenure-eligible, part-time, and adjunct faculty. These latter groups now predominate in community colleges and are an ever-larger component of the faculty in senior institutions, particularly in the public sector. Students have a vital stake in the institution and should be given opportunities to be heard on various issues and in some cases to participate directly in the governance process, preferably as members of board committees rather than as voting members of governing boards.

The involvement of these diverse internal stakeholder groups will vary according to subject matter and the culture of the institution, but the board is responsible for establishing the rules by which their voices are considered. Boards should ensure that no single stakeholder group is given an exclusive franchise in any area of governance, while recognizing that the subject matter in question will determine which groups have predominant or secondary interests.

6. All board members, regardless of how they came to the board, should feel a responsibility to serve the institution or the system as a whole and not any particular constituency or segment of the organization. Faculty, student, and staff involvement in the work of the board most appropriately occurs by membership on standing or ad-hoc committees of the board. While there are many instances of successful involvement to the contrary, it is AGB's view that faculty, staff, and students ordinarily should not serve as voting members of their own institution's governing board because such involvement violates the principle of independence of

judgment. Particularly in the case of faculty or staff members, board membership inevitably places them in conflict with their employment status. In any event, boards should be mindful that the presence of one or more student, faculty member, or staff member on the board or its committees neither constitutes nor substitutes for full communication and consultation with these stakeholders.

7. Most senior public institutions and many community colleges are parts of multicampus systems that accord the system or corporate board the legal authority and responsibility for a set of institutions or campuses. The system governing board should clarify the responsibilities of the campus heads, the system head, and any institutional quasi-governing or advisory boards—as, for instance, boards and administrative officers of the professional schools of law, medicine, the health sciences, and business, and of intercollegiate athletics. The system board should clarify the authority, responsibilities, and expectations of such subordinate boards and officers, as well as of single-campus advisory boards. In multicampus systems, governing boards should lean strongly in the direction of maximum possible autonomy for individual campuses or schools—unless, in particular instances, such autonomy clearly is not being exercised responsibly.

Standards of Good Practice

1. Governing boards should state explicitly who has the authority for what kinds of decisions—that is, to which persons or bodies it has delegated authority and whether that delegation is subject to board review. For example, curricular matters and decisions regarding individual faculty appointments, promotions, and contract renewal normally would fall within the delegated decision-making authority of appropriate faculty and administrative entities operating within the framework of policies and delegations of the board.

The board should also reserve the right to review and ratify specified academic decisions, as well as proposals to adopt major new academic programs or eliminate others. The board should set budget guidelines concerning resource allocation on the basis of assumptions, usually developed by the administration, that are widely communicated to interested stakeholders and subject to ample opportunity for challenge. But the board should not delegate the determination of the overall resources available for planning and budgetary purposes. Once the board makes

these overarching decisions, it should delegate resource-allocation decisions to the chief executive officer who may, in turn, delegate to others.

In all instances in which the board believes resources will need to be reallocated in ways that will lead to the reduction or elimination some programs, the board should ask the administration to create a process for decision making that includes full consultation, clear and explicit criteria, and full communication with stakeholder groups. The board should recognize that institutional consensus is more likely when all parties have agreed on the process and criteria. If, for example, the board decides the institution is in such financial jeopardy that faculty and staff reductions and reallocations are necessary, it first should consult the stakeholders, then share the information and describe the analysis that led them to make such a determination.

"COMMUNICATION," "CONSULTATION," AND "DECISION MAKING" SHOULD BE DEFINED AND DIFFERENTIATED IN BOARD AND INSTITUTIONAL POLICIES.

2. Boards and chief executives should establish deadlines for the conclusion of various consultative and decision-making processes with the clear understanding that failure to act in accordance with these deadlines will mean that the next highest level in the governance process may choose to act. While respecting the sometimes lengthy processes of academic governance, a single individual or group should not be empowered to impede decisions through inaction.

3. The chief executive is the board's major window on the institution, and the board should expect both candor and sufficient information from him or her. In turn, the board should support the chief executive, while ensuring that the voices of other stakeholders are heard.

4. Governing boards have the sole responsibility to appoint and assess the performance of the chief executive. The selection and support of the chief executive is the most important exercise of board responsibility. Boards should assess the chief executive's performance on an annual basis for progress toward attainment of goals and objectives, as well as for compensation review purposes, and more comprehensively every several years in consultation with other stakeholder groups, as the board may deem appropriate. In assessing the chief executive's performance, boards should bear in mind that board and presidential effectiveness are interdependent. Consequently, boards should concurrently assess their own performance and that of the chief executive every several years. Performance reviews assisted by qualified third parties can contribute significantly to the professionalism and objectivity of the process.

5. There should be a conscious effort to minimize the ambiguous or overlapping areas in which more than one stakeholder group has authority. The respective roles of the administration, faculty, and governing board in faculty appointments, promotions, and tenure illustrate the principle of collaboration. For example, although the board may wish to exert its ultimate responsibility by insisting on approving individual tenure decisions, it might choose to delegate other kinds of actions to the administration, which might, in turn, delegate some authority for some decisions to an appropriate faculty body. Clarity does not preclude gray or overlapping areas of authority, but each group should understand whether its purview, and that of others in the governance process, is determinative or consultative. Moreover, the board and the chief executive should ensure the systematic review of all institutional policies over time, including those affecting internal governance.

"Communication," "consultation," and "decision making" should be defined and differentiated in board and institutional policies. Governing boards should communicate their investment and endowment spending policies, for example, but they may choose not to invite consultation on these matters. Student financial-aid policies and broad financial-planning assumptions call for both communication and consultation with stakeholder groups.

6. In institutions with faculty or staff collective-bargaining contracts, internal governance arrangements should be separate from the structure and terms of the contract. If a collective-bargaining contract governs the terms and conditions of faculty and staff employment, the board should consider a formal policy regarding the role of union officials in institutional governance. Specifically, the board should articulate any limitations the existence of a bargaining agreement may place on participation in governance by union officials.

External Stakeholders

The preceding sections primarily address the internal governance of institutions or multicampus systems. But public institutions receive large proportions of their financial resources through governors, legislatures, statewide coordinating bodies (in some cases), and increasingly through foundations affiliated with the institution or system—and governing boards are accountable for these funds. The responsibilities of these officials and bodies vary widely among the states, but governing boards should serve as important buffers between the college or university and the political structures, partisan politics, and pressures of state government. Together with the chief executive, they should also serve as a bridge between the institution or system and its affiliated asset-management and fund-raising organization. These board responsibilities require a skillful balancing of effective communication and sensitive advocacy in articulating and defending the mission, priorities, and programs of the institution and in conveying to institutional constituents the concerns of external stakeholders. Boards should also serve as bridges to state government leaders whose views and perspectives concerning the conduct of public higher education, as it relates to state needs and priorities, should be heard and considered.

The relationship between the institution or system and the various external political and regulatory oversight groups should reflect an understanding by which the institution or system is held accountable for results in relation to agreed-upon objectives and, in return, oversight and regulation is minimized. This arrangement preserves the essential autonomy of the institution or system, which differentiates it from other state entities, and makes it clear that it is accountable for results.

Alumni are an especially important stakeholder group in both public and private institutions. Alumni are a vital resource, and their participation in the life of the institution should be actively encouraged. But alumni organizations frequently give rise to a brand of activism that intrudes on the roles of governing boards and chief executives. AGB recommends that alumni organizations be under the direct authority of the chief executive. Further, while the governing board should have appropriate alumni members, the board should always retain full legal, moral, and fiduciary responsibility for the institution.

Other organizations—higher education associations, disciplinary organizations, and accrediting bodies, among others—sometimes attempt to prescribe institutional policies and practices. The board should exercise caution in adopting the policies and procedures promulgated by any of these organizations. With the possible exception of those institutions owned by or closely affiliated with sponsoring organizations that contribute to their finances or otherwise hold title to their property and assets, the board should not feel obligated to adopt the policies and prescriptions of any external bodies.

Conclusion

College and university governing board membership is one of the most serious and consequential exercises of voluntary leadership in our society. It calls for balancing and sometimes buffering the often-conflicting claims of multiple internal and external stakeholders. It requires good judgment to avoid becoming managerial while being sufficiently informed to assess management. It calls for listening and questioning more than pronouncing and demanding. Most of all, it requires a commitment to the institution as a whole rather than to any of its parts. Governing board membership is both challenging and enormously rewarding in the service of the current and future generations of students and, therefore, the nation's ultimate well-being.

Questions to Consider

These questions should help boards assess whether policies and practices concerning the participation of trustees, administration, faculty, staff, and students in institutional governance are reasonably clear, coherent, and consistent. Answers to these questions will help boards and chief executives determine whether to establish a process to revise the policies or improve how they are used.

1. Do all trustees, administrators, faculty, staff, and students understand that the board has ultimate responsibility for determining, in consultation with appropriate stakeholders, the institution's mission? Do these constituents clearly understand that the board is ultimately responsible for the institution's welfare? Do the trustees understand that such responsibility requires not only monitoring the fiscal and physical assets of the institution but also having sufficient knowledge of the academic programs to ask hard questions concerning program quality, coherence, relevance, attractiveness, and appropriateness?

2. Has the board explicitly defined the major areas of delegated authority? Has it specified to whom the authority is given, the extent of the delegation, and the measure of accountability?

3. If the board governs a multicampus system, is the authority of the system head, campus heads, and institution-based advisory or quasi-governing boards reasonably clear and demonstrably effective?

4. If a collective-bargaining contract governs the relations of faculty or staff with the institution, has the board considered a formal policy regarding the role of union officials in institutional governance and the limitations a bargaining agreement may place on their participation in governance?

5. Does the board conduct its affairs in a manner that exemplifies the behavior it expects from other campus constituents as they participate in governance? As the board strives to promote quality by means of rigorous review of programs, processes, and people, does it demonstrate a similar commitment to the assessment of its own performance? As the board seeks to encourage more open and effective communication on campus, does it exemplify openness and respect in its interactions with stakeholders? As the board calls for a greater commitment to the institution on the part of campus stakeholders, do trustees eschew advocacy of personal interests and exemplify dedication to the institution?

6. Has the board enhanced communication with the campus stakeholders? Has it clearly distinguished between information gathering, consultation, and decision making in its communication with campus constituents? Do stakeholder groups regularly consult with the chief executive and then, as appropriate, with the board on substantive matters that may affect major institutional policy?

7. Does the board establish clear deadlines for the conclusion of consultative and decision-making processes, and do campus constituents understand and accept the need for timely decision making?

8. Has the board, in concert with the chief executive, established a process and timeline for a periodic, systematic review of the institution's policies and procedures governing institutional decision making?

9. Has the board, in concert with the chief executive and in consultation with appropriate stakeholders, assessed the participation of stakeholders in institutional decision making and their collaboration in policy implementation? What initiatives might be undertaken to clarify and strengthen communication, participation, and collaboration in institutional governance?

Governing in the Public Trust: External Influences On Colleges and Universities

"Governing in the Public Trust" is addressed to the trustees and academic leaders of America's colleges and universities and to the nation's elected political leaders and others who vigorously advocate their positions on higher education issues, policies, and practices. Its aim is to stimulate discussion within board-rooms and between trustees and elected political leaders and stakeholder groups.

Citizen trusteeship is a venerable American tradition that has served the nation well as a distinct and preferable alternative to direct governmental control. The principles this statement expresses are central to the work of the volunteer boards and trustees of public and independent institutions whose endeavors the Association of Governing Boards of Universities and Colleges promote. The nation's 50,000 trustees embody the values that govern higher education institutions in our democracy—values that should not be taken for granted, lest they be lost.

Make no mistake, public and private colleges and universities are duty-bound to be attentive to the political, economic, and other priorities of their states and communities and to be actively engaged in the search for solutions to society's problems. Recently, however, external pressures have led some trustees and political leaders to abandon long-accepted principles of citizen trusteeship. Some believe board members should be responsive to narrow interests; others use their trusteeships inappropriately to advance personal visibility, aspirations, or policy goals; still others fail to grasp that trustees are responsible for seeking

consensus and acting collectively as a board, and not as individuals. When such inappropriate behavior occurs, the tradition of citizen trusteeship is broken, and the public trust is compromised.

"Governing in the Public Trust" is a companion to the "AGB Statement on Institutional Governance," which was adopted by the AGB Board of Directors in November 1998. That earlier document was a general expression, from a governing board perspective, of ways in which higher education leaders can examine the clarity, coherence, and appropriateness of their institutions' decision-making processes.

This statement, by contrast, responds to a more specific challenge: the need for all higher education leaders to thoughtfully consider the perspectives of external voices, while resisting purely political or ideological agendas.

In adopting this statement, it is not the intent of the AGB board to be prescriptive but rather to provide a template of good practices and policy guidelines for boards to consider and adapt to their needs.

The values of intellectual freedom, institutional diversity, and social responsibility are embedded deeply in the fabric of American higher education. The governing boards of public and independent institutions historically have perpetuated these values as buffers and bridges between the academy and society. Boards are not merely advocates for the institutions they serve, they also are guardians of the public trust, responsible for ensuring that institutions serve the larger society.

Colleges and universities today face new and challenging criticisms, expectations, demands for accountability, and pressures for reform from inside and outside the academy. These often are accompanied by direct attacks on the integrity and foundational principles of governing boards. Some criticisms are justified, but many result from a general misunderstanding of why the founders of our states and the nation saw virtue in citizen governance of colleges and universities. In the worst cases, such misunderstandings may lead to abuses of power.

External pressures on governing boards manifest themselves quite differently in various states and in institutions with disparate missions. Some boards navigate the waters of intensified public involvement successfully, through a combination of adroit internal leadership and attitudes of respect among external stakeholders toward the appropriate functions of boards. But other boards are having trouble maintaining a balance. Accustomed to being deferred to or left alone, they may find themselves with no traditions or with inadequate policies to guide them in working with external interests. The initial response of most boards is to appear to resist public pressures for change, citing the principles of academic freedom or constitutional status to fend off what they see as intrusions on their prerogatives. Some become overly accommodating, imagining a duty to respond immediately to all the demands of external stakeholders—governors, state legislators, advocacy groups, business leaders, donors, and others.

Self-governance and self-regulation are crucial to institutional quality and integrity in American higher education. Such governance cannot be maintained if it is perceived as insular or dismissive of society's legitimate interests, concerns, and priorities. Yet the rationale for citizen self-governance remains as valid and important as ever, even where there is not widespread acceptance of or support for its underlying principles. For self-governance to endure, however, its principles should be revisited, debated, and embraced anew by today's leaders. Toward that end, this statement of principles has been developed as a vehicle for reflection and debate within the higher education community and with the publics it serves. To the extent that it stimulates dialogue about the principles of effective trusteeship, it will have served its purpose.

Historic Principles for Citizen Governance

The rationale behind self-governance in higher education grows out of centuries-old tradition as well as the modern-day missions of colleges and universities. Some key components follow:

- The primary reason governing boards are composed of lay citizens rather than government officials or members of professional societies harks back to the evolution of English common law, to the development of social institutions not directly controlled by the church, guilds, or government. Boards made up of surrogates of the citizenry were intended to ensure arm's-length independence of leadership for these institutions while not being responsible for running them on a day-to-20day basis. Today, boards continue to have policy and oversight functions, rather than managerial or administrative ones.

- Public and independent nonprofit colleges and universities are unique among social institutions in that their missions require them to work to benefit the whole of society through teaching, research, and service. Other institutions—churches, volunteer groups, and some for-profit institutions, for example—provide similar functions, but only colleges and universities combine all these functions. In so doing, they constitute a precious reservoir of expertise and cultural memory that simultaneously serves the past, the present, and the future. Citizen self-governance is designed to maintain this complex mission and public trust.

- Colleges and universities serve a much wider range of internal and external stakeholder groups than do most of society's other institutions. This is another reason their governing boards are (or should be) structured to be stewards of the broad society rather than representatives of particular stakeholder groups. The involvement of lay citizens acting as collective bodies distinguishes higher education boards from representative or legislative models, under which individual members generally are considered proxies for constituent groups. The best boards reflect diverse perspectives and experiences, but higher education boards never were intended to be representative of narrow interests. In the end, individuals who accept the responsibilities of trusteeship implicitly pledge a commitment to the whole institution—not to the appointing authority or to particular interests on or off campus—and to all citizens, not to a particular few. Although governors understandably exercise their public-sector appointive powers in ways that align with their larger agendas, board members of all institutions should reach independent judgments based on their own interpretations of institutional purpose and societal needs.

- Ensuring that the teaching and research functions of colleges and universities are unencumbered constitutes another reason for self-governance. In the early days of the American democratic experiment, Thomas Jefferson articulated his vision of the special place of higher education in preparing citizens to be capable of questioning authority, be it the government or the church. In today's higher education environment, however, the degrees of freedom from direct government influence or control vary considerably—particularly in public higher education, where many contradictory policies and practices exist across the 50 states and the territories.

- Perhaps the most enduring and compelling reason for self-governance in American higher education is the belief that the pursuit of truth, the generation of new knowledge, and the protection of intellectual inquiry are best preserved in institutions unencumbered either by direct governmental control or domination by any self-serving interest. The value of academic integrity and independence and their relation to self-governance have been articulated in important court decisions. Cited most often over the past 50 years is the ruling authored by Supreme Court Justice Felix Frankfurter in a decision on a loyalty-oath controversy:

It is the business of a university to provide that atmosphere which is most conducive to speculation, experiment, and creation. It is an atmosphere in which there prevail "the four essential freedoms" of a university—to determine for itself on academic grounds who may teach, what may be taught, how it shall be taught, and who may be admitted to study. (Sweezy v. New Hampshire, 1957).

INTERVENTIONS MOST DAMAGING TO SELF-GOVERNANCE ARE THOSE AIMED SPECIFICALLY AT GOVERNING BOARD CAPACITIES TO DEBATE POLICY AND MAKE DECISIONS.

The Nature of External Influences

Long-standing and recent external challenges to the traditions of citizen governing boards require us to distinguish between broad, often healthy social trends that inevitably influence higher education and the more localized external pressures that can irreparably damage the institution of citizen self-governance. The changing place of higher education in society means that the business of the academy—who gets in, what is taught, and how much higher education costs and why—is a major public-policy issue. Decisions about the efficient management of resources and quality are too important to the larger society to be left entirely to academy insiders. Expectations for accountability continue to rise at the state and federal levels, while independent and public institutions alike increasingly are subject to a host of externally generated regulatory and reporting requirements. Issues concerning costs and efficiency are lightning rods for external interests, given the realities of rising college tuitions, new competition from for-profit education providers, and concern about who is able and unable to attend college.

Most colleges and universities are not merely reacting to public pressure for change but are seeking stronger engagements between campuses and the publics they serve—businesses, individual donors, and alumni, for example. Particularly in the arena of academic policy, many presidents and boards are actively cultivating partnerships with external

constituencies to strengthen the capacity of their institutions to serve the public trust. Heightened expectations for student and faculty performance and greater public accountability provide new opportunities for colleges and universities to connect with their local, regional, and national communities without damaging their governance processes. This is an essential goal.

It is equally true, however, that a single-issue interest easily can interfere with the ultimate policy-making authority of a governing board. Interventions most damaging to self-governance are those aimed specifically at governing board capacities to debate policy and make decisions (as opposed to those aimed generally at the institution). Some examples of common pressures:

- directives from a governor to his or her appointed trustees to vote a certain way on such policy matters as admissions, curriculum content and program approvals, selection of a board chair, or the location of a new campus;

- suggestions to change the composition of the board to designate seats for members expected to represent certain interests;

- proposals from legislators or governors to restructure or abolish governing boards merely because they have resisted the wishes of elected leaders (rather than because such restructuring, by general consensus, is a sound response to changes in a state's economy, for example);

- attempts by outside individuals to persuade one or more trustees to intervene on behalf of a particular individual or group in matters involving admissions, athletics, or employment;

- collusion among board members to favor specific economic or personal interests;

- manipulation of the presidential search process to ensure the selection of a candidate favorable to alumni, a political party, business leaders, or single-issue interest groups; and

- acquiescence to pressure from well-intentioned donors whose gifts may bind the institution to financial obligations or other commitments that may contradict the institution's mission or values.

Furthermore, public colleges and universities are especially susceptible to legislative or political efforts to change the trustee-appointment process to favor individuals who may be expected to represent or serve specific views. Such interference often comes from ideological groups that seek not only to influence but also to dictate academic policy by, for example, bypassing governance consultation and collaboration to impose predetermined policies on the institution.

Independent institutions may be especially vulnerable to intrusions from separately incorporated alumni associations, sponsoring church authorities, or major donors. These groups or individuals may become powerful influences that may be antithetical to an institution's academic mission and independence.

Inappropriate external influences on a governing board have great potential to skew an institution's priorities and compromise its capacity to serve the public interest. They also may weaken a board's governing integrity and public credibility by creating imbalances that favor certain interests over others. Over time, imbalances of authority within a board erode its capacity to conduct business in a credible and straightforward manner. Even if there are no disastrous policies or inappropriate decisions over the short term, the institution is made vulnerable to control by single interests—economic, political, ideological, or professional.

Some boards inadvertently allow themselves to become vulnerable. A loss of respect for institutional self-governance, borne of impatience with the process or suspicion about motives, can precipitate external pressure for direct intervention into governance. The collaborative academic decision-making process often is opaque, even to people inside the institution; to outsiders it may seem absolutely obstructive. Protracted timetables for consultation and collaboration are frustrating to those who demand action and who may interpret the need for internal consultation as a tactic to avoid decision making. In addition, institutions and their leaders sometimes appear aloof and unwilling to consider externally generated ideas simply because they came from outsiders.

Some board members and institutional leaders unfortunately have fallen into the habit of claiming constitutional autonomy or academic freedom to justify exceptions from public laws that apply to other institutions. Although sometimes valid, such claims often are perceived to be dismissive of the legitimacy of the public interest and can prompt unfortunate and dangerous political reactions. Further, disrespect for the capacity and quality of trustees may lead external groups to seek to intervene or to keep a board's authority as weak as possible. Skepticism about the ability of the board to act appropriately or responsibly is a frequent motive for ill-conceived pressures on board decision making.

The management of attention is one of the most important and difficult jobs a board faces. Unchecked attentiveness to external pressures can distract a board from setting priorities and maintaining a strategic and coherent path. A distracted board risks being overly reactive or unresponsive.

Credibility and integrity are precious assets. They derive from effective chief executive leadership, good management, academic reputation, and intellectual authority. Any board captured by narrow interests loses credibility in the local community, statewide, and even nationally. Boards that yield too easily to external pressures will find their institutions unable to recruit and retain the best presidents, faculty, and students. What is more, boards that allow the line between self-governance and governmental control to be crossed on matters of curriculum, course content, and faculty review risk compromising their integrity.

Principles for Maintaining Accountability, Independence, and the Public Trust

The public's expectations for improved performance from higher education are straining relations between the academy and society over questions of control. Even though the historic principles of citizen governance by independent trustees are as valid today as ever, these principles should be newly affirmed in the context of the challenges of the day, in language that combines accountability and independence with the responsibility of serving the public trust. Toward that end, the following five principles are guideposts for dialogue, reflection, and action.

1. Recommit to the primacy of the board over individual members. Governing boards should be composed of carefully selected, independent-minded individuals of stature who are fully committed to higher education and who can focus on the intersection between society and the academic institution. To the extent that a board reserves seats for specific constituent interests, it fails to fully meet the test of true citizen-board governance. All trustees hold the institution "in trust" for all citizens.

They can exercise this broad responsibility only if they feel they are free of all other obligations and can apply their individual consciences and judgments to all matters that come before them.

2. Keep the mission as a beacon. Governing boards should base their decisions on how the institution can best serve the public trust by respecting the boundaries of the institution's mission. Colleges and universities are under constant pressure to be all things to all people, with the ever-present risk that scarce resources may become diluted. Boards that allow the mission of the institution to drift can lose the selective focus that is essential to maintaining high quality and effectiveness.

Boards of public institutions must recognize that institutional mission is a matter of public policy and that this mission, though ultimately the governing board's province, must be determined through credible public dialogue and respectful consultation. A board that is unable to explain the mission or that finds itself continually debating how to change it is likely to end up merely reacting to external pressures rather than governing appropriately and effectively.

3. Respect the board as both a buffer and a bridge. Governing boards should be both buffer and bridge between the institution (or multi-campus system) and the public. They must be able to anticipate the central issues that are likely to test their capacities in this dual role and craft a strategic agenda to address these challenges. The specific areas of pressure will vary by institution, yet the chief points of tension are similar and often predictable. Some examples: student admissions; faculty prerogatives in curriculum and learning standards; the creation of for-profit subsidiaries or partnerships with for-profit entities; and executive recruitment, performance review, and compensation.

POLICIES SHOULD CLEARLY SPECIFY THE RESPONSIBILITIES OF BOARDS AND INDIVIDUAL MEMBERS WHILE EMPHASIZING COLLECTIVE AND INDIVIDUAL ACCOUNTABILITY.

Being a bridge to society means working with the chief executive to maintain a clearly understood process for soliciting views from, and speaking to, such external stakeholders as legislators, business groups, or the news media. At the same time, boards should be willing to make unpopular decisions in the best interest of their institution or society. Boards should address the challenges that top their agendas in ways that preserve a sense of balance and integrity without seeking to win popularity contests. When powerful constituencies demand specific actions or express displeasure, boards should assert their policymaking prerogative and, when necessary, "take the heat.".

4. Exhibit exemplary public behavior. Through their personal demeanor, public respect for civilized dialogue, strict avoidance of conflicts of interest, and commitment to board self-regulation and periodic self-assessment, trustees should serve as models of public conduct. Many people unfortunately have become cynical about the integrity of society's institutions and are likely to assume the worst even when there is little basis for doing so. Individually and collectively, board members must ensure that they continue to earn the respect essential to serving their civic purposes. Policies should clearly specify the responsibilities of boards and individual members while emphasizing collective and individual accountability.

5. *Keep academic freedom central.* Intellectual integrity and academic freedom are at the heart of the historic social justification for self-governance in colleges and universities. Board members should be able to articulate this value and be prepared to support and defend it in behalf of their institutions and individual professors.

But assertions of violations of academic freedom should be made carefully and rarely. Faculties and boards should be confident that such claims are fully justifiable, and they must understand that frequent claims can weaken their own credibility and effectiveness. In the end, the sanctity of academic freedom does not preclude boards from exercising appropriate oversight over academic policy.

The Need for Vigilance

Public and independent colleges and universities historically have been afforded significant independence, the benefits of which have accrued to all of society. But colleges and universities never have been fully autonomous, nor should they be. Complete autonomy is incompatible with the mission of any social institution. Tension between private purposes and public interests—and debate about what constitutes the public interest—are natural in academic life. Campuses historically have been testing grounds for social ideas, and the history of higher education can be mapped in large part by tracing the successive relationships between the institutions and the societies they serve.

Active engagement with external constituencies can be extraordinarily beneficial to higher education. Yet boards must maintain the independence necessary to act decisively and with integrity. Institutions and boards can grow stronger by nurturing their relationships with the public, policymakers, the business community, and others. Doing so will enable them to maintain the standing of their institutions and their ability to recruit and retain top leaders.

Society's expectations for colleges and universities to serve broad social purposes are real and reasonable. Higher education leaders must discard attitudes of isolation and arrogance that can drive away the goodwill, talent, and funding that have produced the unparalleled excellence of the American system. Similarly, the academy would be poorly served if the legitimate interests of external groups were manifested merely as insider-outsider power struggles within governing boards.

This statement asks boards to reaffirm their commitment to maintaining balanced, independent, and principled citizen governance as they fulfill their public trust. And it calls on those who would press their agenda on the academy to respect the principles that are the foundation of the academy and citizen trusteeship.

BOARD BASICS

This publication is part of **Board Basics**, an AGB series devoted to strengthening the effectiveness of governing boards and trustees. Board Basics comprises several topic clusters: The Fundamentals, Financial Matters, Fund-Raising, Academic Affairs, Foundation Relations, Leadership, Strategic Decisions, and Effective Committees—each of which contains several booklets. Several assumptions underlie the series:

- Academic trusteeship grows increasingly ambiguous, and trustees need convenient, accessible, and focused information to help them carry out their complex fiduciary and stewardship responsibilities.
- Effective governing boards must remain constant stewards but their educational efforts must be creative, and enthusiastic. The series builds on the conviction that to provide trustees with a sense of knowledge, ownership, and excitement about their institution.
- The success of the series depends on the enthusiastic character of academic trusteeship. Specialized contributors must speak, and listen, from experience, sharing insights and other board service.

AGB and the authors welcome comments and suggestions to improve this publication and others in the series. Call AGB publications at 202/ 356-0813, or visit our Web site at www.agb.org for more information.

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Association of Governing Boards
of Universities and Colleges

One Dupont Circle • Suite 400
Washington, D.C. 20036
http://www.agb.org